

Harford Appraisals, Incorporated
Real Estate Appraisals

07 September 2010

Chairman Ben S. Bernanke
Board of Governors of the Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

Dear Chairman Bernanke,

This correspondence is in reply to a letter sent to you by Mr. Jeff Schurman of the Title/Appraisal Vender Management Association (TAVMA) on 25 August 2010 relating to "customary and reasonable requirement."

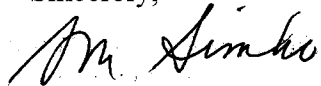
For the past several years, I have seen fees for home appraisals dwindle down approximately 50% from what is customary and reasonable in my market area. This has primarily been due to Appraisal Management Companies (AMCs) taking a major portion of the appraisal fee. What was once a competitive profession is now controlled by a limited number of AMCs who can pretty much dictate the appraiser's fee.

From Mr. Schurmann's letter, he wants to include in a survey the fees that AMCs pay their appraisers. Since these fees are not what is customary and reasonable to the average working appraiser, these fees should not be included in any survey to determine the customary and reasonable appraisal fees in a particular market area.

I admit that any survey taken will have some flaws. What one should do is to try to minimize these flaws. I have two suggestions to minimize these flaws: The first is use the Veterans Administration (VA) appraisers' fee schedule as a starting point for the minimal appraisal fee; the second, take the statistical average of the appraisal fees located on the HUD 1 over the last three years to determine the minimal appraisal fee for a particular market area.

In conclusion, I feel that the "customary and reasonable fee" section of the bill should not be delayed.

Sincerely,



Ann M. Simko
President, HAI